



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: May 31, 2006

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

March 2006 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>March 2006</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$ 39,799,421	\$ 2,007,884,244
Percent Change	(48.7%)	21.9%
Corporate Income Tax		
Net Collections	\$ 74,828,375	\$ 518,746,470
Percent Change	17.2%	19.2%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 345,767,734	\$ 3,142,691,710
Change	18.5%	17.3%
Total Big Three Tax Types		
Net Collections	\$ 460,395,530	\$ 5,669,322,424
Percent Change	6.3%	19.0%

TAX FACTS

March 2006

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	March 2006	March 2005	% Change
Gross Collections	\$ 43,912,674	\$ 39,089,384	12.3
Withholding	\$ 271,172,800	\$ 245,076,317	10.6
Refunds	\$ (239,850,309)	\$ (175,469,290)	36.7
Urban Revenue Sharing	\$ (35,435,744)	\$ (31,089,382)	14.0
Net Collections	\$ 39,799,421	\$ 77,607,029	(48.7)

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% Change
Gross Collections	\$ 575,643,675	\$ 402,123,502	43.2
Withholding	\$ 2,281,396,612	\$ 1,953,659,092	16.8
Refunds	\$ (530,234,347)	\$ (428,729,683)	23.7
Urban Revenue Sharing	\$ (318,921,695)	\$ (279,804,434)	14.0
Net Collections	\$ 2,007,884,244	\$ 1,647,248,477	21.9

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In March 2006, the department did not issue any individual or corporate income tax refunds for alternative fuel-related credits.

Ladewig Refunds

In March 2006, the department issued 458 warrants totaling \$331,686 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 308,406 refunds have been issued for a total of \$43,759,402. Attorney payments are not included in the refund amount and total \$4,921,277 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

Individual Income Tax Document Count

In calendar year 2004, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,106	1,575,957	88,795	102,431	3	44,198	297,353	13,315	197,269	2,625	13	2,368,223
%	1.8	66.5	3.7	4.3	0.0	1.9	12.6	0.6	8.3	0.1	0.0	

In calendar year 2006 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	8,187	682,238	24,993	49,784	0	4837	221,411	6,642	78,843	1,839	1	1,078,775
%	0.8	63.2	2.3	4.6	0.0	0.4	20.5	0.6	7.3	0.2	0.0	

The 1,078,775 returns, representing current and prior tax years, filed through March 2006 compares to 1,040,263 returns filed during the same period of time in 2005 for an annual increase of 3.7%. For tax year 2005 filed in 2006, 1,046,776 returns have been filed, a 3.9% increase over filings in March 2005 for tax year 2004.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 742,277 returns in calendar year 2006 for tax year 2005 from filers who also have returns on record from calendar year 2005 with the same marital status. On average, these filers experienced a 5.4% increase in FAGI and a 4.2% increase in tax liability. More specifically, 35.5% of these filers experienced a decrease in tax liability; on average a decrease of 14.6% in FAGI with a corresponding average decrease in tax liability of 31.3%. Filers with an increase in tax liability totaled 371,718 or 50.1%, with an average FAGI increase of 22.8% and an average tax liability increase of 38.2%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2006 CYTD	\$ 530.40	854,589
2005 CYTD	\$ 455.76	820,514
% Change	16.4%	4.2%

"New" Filers in Calendar Year 2006

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2006. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 122,906 "new" returns have been filed thus far in 2006, representing approximately 145,604 persons, not including dependents. The average Federal Adjusted Gross Income is \$17,540 with an average tax liability of \$221. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 15.2% had a married filing joint filing status, 5.6% claimed a 65 and Over Exemption and 43.8% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES tax year 2004 was \$402.6 million, for an average of \$2,108. An additional \$75.5 million in estimated payments came from 2003 tax returns that applied their refunds as a 2004 estimated payment, for an average of \$1,850. Estimated payments received through March 2006 for tax year 2005 are as follows:

:

03/06	140ES payment	\$	2,457,671	Cumulative \$	572,305,260
03/05	140ES payment	\$	1,792,264	Cumulative \$	388,812,297
	% change		37.1		47.2
03/06	Average payment	\$	3,268	Cumulative \$	2,678
03/05	Average payment	\$	2,479	Cumulative \$	2,059
	% change		31.8		30.1
03/06	Applied refund	\$	278,993	Cumulative \$	93,746,115
03/05	Applied refund	\$	300,849	Cumulative \$	74,004,575
	% change		(7.3)		26.7
Total 03/06		\$	2,736,665	Cumulative \$	666,051,375
Total 03/05		\$	2,093,113	Cumulative \$	462,816,873
	% change		30.7		43.9

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2004 through March 2005, \$592,987,493 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the first quarter of 2005, which shows an increase of 10.3% in withholding payments over the first quarter of 2004. Growth in quarters for which information is still being gathered is as follows:

2 nd Quarter 2005	7.1%	4 th Quarter 2005	18.1%
3 rd Quarter 2005	28.2 %	1 st Quarter 2006	35.6%

As of January 1, 2005, the current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2006	6,491	\$ 2,422,650	\$ 373
Calendar Year 2005	8,368	\$ 3,004,979	\$ 359
% Change	(22.4)	(19.4)	3.9

Clean Elections

As a result of the December 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2005 filed in 2006.

	March 2006	Calendar Year Total
Check Off	\$862,495	\$1,777,688
Voluntary Donation	\$6,797	\$14,042
Number of Returns	119,083	254,921

Contributions on the Individual Income Tax Return

Through March 2006, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	4,171	\$ 79,473	\$ 19.05
Child Abuse	4,897	\$ 97,353	\$ 19.88
Special Olympics	2,200	\$ 38,186	\$ 17.36
Neighbors Helping	1,220	\$ 15,919	\$ 13.05
AID to Education	307	\$ 21,334	\$ 69.49
Domestic Violence Shelter	3,400	\$ 67,212	\$ 19.77
Democratic Party	426	\$ 9,957	\$ 23.37
Republican Party	275	\$ 5,636	\$ 20.49
Libertarian Party	35	\$ 1,044	\$ 29.83

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Mar 2006	Mar 2005	% Change
Gross Collections	\$81,512,645	\$67,086,220	21.5
Refunds	(\$6,684,270)	(\$3,257,603)	105.2
Net Collections	\$74,828,375	\$63,828,617	17.2

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$599,275,329	\$497,256,909	20.5
Refunds	(\$80,528,859)	(\$61,953,620)	30.0
Net Collections	\$518,746,470	\$435,303,289	19.2

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Mar 2006	\$70,697,403	Calendar Year Total	\$112,279,842
Mar 2005	\$45,610,412	Calendar Year Total	\$78,546,674
% Change	55.0%	% Change	42.9%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for March 2006 and for the calendar year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
Mar 2006	291	40	51	9	6	0	397	9.7
Mar 2005	284	31	38	8	1	0	362	
CY 2006	487	75	89	15	12	0	678	2.9
CY 2005	515	61	62	13	8	0	659	

The next table shows the dollars of eft estimated payments received from those counts above.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 and more	Total	% chg
Mar 2006	\$3,832,119	\$2,702,844	\$12,348,255	\$6,144,500	\$13,602,494	\$38,630,292	70.3%
Mar 2005	\$3,295,096	\$2,158,700	\$8,842,735	\$5,087,500	\$3,301,565	\$22,685,596	
CY 2006	\$6,424,983	\$5,105,331	\$20,118,527	\$10,484,250	\$32,382,399	\$74,515,490	42.0%
CY 2005	\$5,936,184	\$4,254,560	\$14,384,765	\$8,143,500	\$19,747,014	\$52,466,023	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 04/05 by corporate fiscal year. For example, in FY 04/05, 18.1% of the refund dollars paid were for corporate fiscal years ending in 2000 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 04/05	18.1%	14.7%	3.3%	44.0%	19.4%	0.5%
Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	20.1%	3.1%	4.0%	61.0%	10.1%	1.7%

Corporate Refunds

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year

Mar 2006	\$4,701,223	Calendar Year Total	\$85,467,917
Mar 2005	<u>\$2,374,919</u>	Calendar Year Total	<u>\$13,756,136</u>
% Change	98.0%	% Change	521.3%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 112,597 corporate returns showing a fiscal year-end of 2004. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	274	35,862	64,351	379	11,731
%	0.2	31.8	57.2	0.3	10.4

Through March, 2006, 41,432 documents were received for a fiscal year-end of 2005, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	39	13,408	21,873	132	5,980
%	0.1	32.4	52.8	0.3	14.4

The figures for the 2005 returns are most meaningful when compared to 2004 returns received during the same period of time in the previous year. Through March 2005, the Department of Revenue received 16,934 documents with a fiscal year-end of 2004. Compared to 2004 documents, the Department has seen a 144.7% increase in the number of corporate returns received (*or at least keyed*) at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2005/06 is 15.0% of net proceeds from Fiscal Year 2003/04 income tax. Amounts returned for March 2006 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

Transaction Privilege, Severance and Use Tax Receipts (continued)

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	March 2006	March 2005	% change
Distribution Base	\$141,729,217	\$123,627,722	14.6
Non shared	270,260,781	230,523,985	17.2
Use Tax	26,624,546	18,691,567	42.4
Education Tax	51,332,493	42,995,760	19.4
Other Revenues	60,319,096	51,410,843	17.3
Total Collections	\$550,266,134	\$467,249,877	17.8

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Distribution Base	\$1,275,577,163	\$1,098,575,821	16.1
Non shared	2,463,173,668	2,106,817,356	16.9
Use Tax	239,571,479	193,468,146	23.8
Education Tax	465,832,660	396,144,889	17.6
Other Revenues	534,753,885	458,340,541	16.7
Total Collections	\$4,978,908,855	\$4,253,346,753	17.1

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained by State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	March 2006	March 2005	% change
Retained by State	\$345,767,734	\$291,854,753	18.5
Returned to Counties	57,414,506	50,081,590	14.6
Returned to Cities	35,432,304	30,906,930	14.6
Education Tax	51,332,493	42,995,760	19.4
Other Revenues	60,319,096	51,410,843	17.3
Total Collections	\$550,266,134	\$467,249,877	17.8

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Retained by State	\$3,142,691,710	\$2,679,184,303	17.3
Returned to Counties	516,736,309	445,033,065	16.1
Returned to Cities	318,894,291	274,643,955	16.1
Education Tax	465,832,660	396,144,889	17.6
Other Revenues	534,753,885	458,340,541	16.7
Total Collections	\$4,978,908,855	\$4,253,346,753	17.1

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	March 2006	% Chg	Fiscal Year Total	% Chg
Transporting	5.6	\$220,537	6.3	\$2,105,304	4.7
Non-Metal Mining Oil/Gas	3.125%	484,708	(54.6)	8,111,108	10.9
Utilities	5.6%	25,955,762	6.9	298,369,855	11.2
Communications	5.6%	15,053,401	39.3	118,057,658	9.2
Private Car/Pipelines	5.6%	6,813	(77.9)	1,015,529	98.9
Publishing	5.6%	449,861	(16.3)	5,059,438	2.1
Job Printing	5.6%	1,752,321	5.5	14,821,055	9.5
Restaurants & Bars	5.6%	39,825,667	9.9	322,786,277	12.9
Amusements	5.6%	4,238,743	0.7	33,392,325	9.8
Commercial Lease	0%	23	(71.1)	(3,600)	(111.6)
Rental of Personal Property	5.6%	14,276,359	4.5	131,174,907	9.6
Contracting	3.75% - 5.6%	81,967,686	33.2	737,736,425	28.1
Feed Wholesale	Repealed	0	0	0	0
Retail	5.6%	211,081,270	14.3	1,956,052,824	15.3
Mining Severance	2.5%	2,038,254	35.3	19,577,561	71.7
Timber Severance	\$2.13/\$1.51 per 1000 board ft	(2,214)	(465.7)	13,106	92.4
Hotel/Motel	5.5%	13,776,919	6.8	84,434,209	11.9
Membership Camping	5.6%	14,691	41.7	115,355	1.4
Use Tax	5.6%	26,624,546	42.4	239,571,479	23.8
Rental Occupancy Tax	3.0%	21,552	(7.6)	106,968	167.7
Jet Fuel		468,385	(34.2)	4,504,889	20.1
Jet Fuel Use Tax	\$.0305/\$.0105 gal	364,986	430.7	572,644	(21.7)
Telecommunications Devices	1.1				
Telecomm	----	326,158	5.1	2,642,749	(16.8)
School for the Deaf and Blind		76,743	(26.9)	710,130	(33.8)
Poison Control	----	119,911	46.0	883,290	5.3
Teratogen Funding		4,796	5.1	38,914	(5.4)
911 Wireline	\$0.37/month per active service	1,167,306	58.3	10,359,324	3.4
911 Wireless	\$0.37/month per active service	1,451,846	(4.3)	9,865,751	(2.8)
Total		\$441,767,030	17.6	\$4,002,075,473	16.9

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	March 2006	% Chg	Fiscal Year Total	% Chg
Transporting	\$4,409,068	6.1	\$42,218,582	4.7
Non-Metal Mining Oil/Gas	15,510,669	(54.6)	260,261,363	11.1
Utilities	519,115,233	6.8	5,984,042,327	11.5
Communications	301,068,024	39.1	2,367,188,339	9.4
Private Car/Pipelines	136,252	(77.9)	20,367,104	99.4
Publishing	8,998,219	(16.4)	101,477,102	2.3
Job Printing	35,046,513	5.3	297,153,638	9.7
Restaurants & Bars	796,523,265	9.7	6,471,733,048	13.1
Amusements	84,774,869	0.6	669,391,087	10.0
Commercial Lease	854	(70.0)	(120,341)	(113.3)
Rental of Personal Property	285,522,204	4.4	2,630,247,871	9.8
Contracting	1,647,744,561	33.2	14,866,283,005	28.3

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Transaction Privilege and Severance Tax Taxable Sales By Class¹ continued

	March 2006	% Chg	Fiscal Year Total	% Chg
Feed Wholesale	\$0	0.0	\$0	0.0
Retail	4,222,179,301	14.0	39,221,665,875	15.5
Mining Severance	81,530,176	35.3	784,915,806	72.1
Timber Severance	(1,902)	N/A	6,085	82.6
Hotel/Motel	250,512,452	6.8	1,538,913,147	12.2
Membership Camping	293,824	41.4	2,309,948	1.4
Use Tax	536,536,226	43.1	4,816,073,034	23.9
Rental Occupancy Tax	719,247	-7.6	3,577,667	168.1
Total	\$8,790,619,055	17.5	\$80,077,704,685	17.4

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for March 2006 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$417,545	0.7	\$3,877,108	16.5
Cochise	1,013,119	1.8	10,024,872	26.2
Coconino	1,289,137	2.2	11,518,511	3.2
Gila	427,869	0.7	3,949,990	16.4
Graham	280,103	0.5	2,382,758	19.0
Greenlee	289,931	0.5	2,548,004	38.1
La Paz	182,978	0.3	1,524,976	13.8
Maricopa	36,785,382	64.1	332,148,824	16.1
Mohave	1,712,485	3.0	14,897,216	18.2
Navajo	847,799	1.5	7,987,918	14.6
Pima	8,427,293	14.7	75,337,255	14.0
Pinal	1,771,821	3.1	15,314,954	25.7
Santa Cruz	381,474	0.7	3,375,370	17.0
Yavapai	2,028,884	3.5	18,434,808	19.3
Yuma	1,558,687	2.7	13,413,744	14.2
Total	\$57,414,506		\$516,736,309	16.1

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for March 2006 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during March 2006 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

County Tax Collections continued

	Road Tax	Mar RDX	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health Svc's Dist	Capitol Projects	Tourism Authority
Apache			\$79,366							
Cochise			\$614,887							
Coconino			\$837,781	\$502,569					\$209,356	
Gila	\$244,871		\$236,748							
Graham			\$157,421							
Greenlee			\$79,582							
La Paz			\$114,863	\$114,863				\$374		
Maricopa	\$381,434	\$29,288,633		\$11,055,550	\$608,627	(\$2,915)				\$2,436,469
Mohave			\$707,836							
Navajo			\$493,537							
Pima					\$136,691		\$29,125			
Pinal	\$1,500,723		\$1,492,561							
S Cruz			\$266,507							
Yavapai			\$1,350,949	\$676,190						
Yuma			\$1,057,291	\$1,057,293				\$212,564	\$1,057,186	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in March 2006. The table compares the receipts to March 2005 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	March 2006	March 2005	% Change
Spirituous	\$ 1,097,593	\$ 2,948,505	(62.8)
Vinous	\$ 678,441	\$ 1,583,967	(57.2)
Malt	\$ 2,352,715	\$ 1,910,302	23.2
Cigarette	\$ 24,463,478	\$ 21,006,154	16.5
Other Tobacco	\$ 759,930	\$ 859,515	(11.6)
Tobacco Licenses	\$ 125	\$ 150	(16.7)
Total	\$ 29,352,282	\$ 28,308,592	3.7%

	Fiscal Year (05/06)	Fiscal Year (04/05)	% Change
Spirituous	\$ 18,363,742	\$ 18,412,708	(0.3)
Vinous	\$ 8,273,731	\$ 8,680,369	(4.7)
Malt	\$ 17,403,319	\$ 16,638,530	4.6
Cigarette*	\$ 213,175,733	\$ 202,354,819	5.3
Other Tobacco	\$ 6,819,028	\$ 6,557,110	4.0
Tobacco Licenses	\$ 3,725	\$ 2,625	41.9
Total	\$ 264,039,278	\$ 252,646,161	4.5

*Through March 2006, \$456,700 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	March 2006	FY05/06
Spirituuous	\$ 768,315	\$ 12,854,619
Vinous	\$ 168,309	\$ 2,061,202
Malt	\$ 588,179	\$ 4,350,829
Cigarette	\$ 3,230,784	\$ 28,520,903
Other Tobacco	\$ 56,995	\$ 818,779
Tobacco Licenses	\$ 125	\$ 3,725
Total	\$ 4,812,707	\$ 48,610,057

Other dedicated revenues from luxury taxes:

	March 2006	FY05/06
Correction Fund revenues	\$ 2,193,338	\$ 20,880,704
Tobacco Tax & Health Care Fund ²	\$ 8,540,734	\$ 74,661,939
Tobacco Products Tax Fund ³	\$ 12,934,053	\$ 111,609,252
Wine Promotional Fund revenues	\$ 5,203	\$ 28,919
Drug Treatment & Education Fund revenues	\$ 621,503	\$ 5,902,126
Corrections Revolving Fund revenues	\$ 244,745	\$ 2,346,282

Estate Tax

March-06	\$ 467,879	Fiscal Year to Date	\$ 11,494,946
March-05	\$ 2,171,723	Fiscal Year to Date	\$ 26,983,105
% change	(78.5)	% Change	(57.4)

Bingo

March-06	\$ 42,510	Fiscal Year to Date	\$ 454,178
March-05	\$ 40,057	Fiscal Year to Date	\$ 447,737
% change	(6.1)	% Change	1.4

Unclaimed Property

March-06	\$ 312,695	Fiscal Year to Date	\$ 48,200,744
March-05	\$ (1,102,968)	Fiscal Year to Date	\$ 54,882,752
% change	128.4	% Change	(12.2)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

TABLE 1
"New" Returns Filed in 2006 for Tax Year 2005
Through March 2006

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	608	0.5%	(\$13,458)	\$0	20.2%	69.2%	8.6%	2.0%	18.7%	19.5%
\$0-\$5,000	25,572	20.8%	\$2,904	\$0	4.1%	79.8%	15.8%	0.4%	3.2%	25.2%
\$5,000-\$10,000	30,706	25.0%	\$7,377	\$20	6.0%	69.7%	23.7%	0.6%	4.4%	34.4%
\$10,000-\$15,000	18,650	15.2%	\$12,353	\$65	13.5%	45.3%	40.6%	0.6%	6.9%	53.8%
\$15,000-\$20,000	13,974	11.4%	\$17,381	\$123	21.6%	34.7%	43.0%	0.7%	7.4%	58.9%
\$20,000-\$25,000	9,202	7.5%	\$22,354	\$220	28.1%	32.2%	38.4%	1.2%	5.6%	61.1%
\$25,000-\$30,000	5,589	4.5%	\$27,392	\$353	30.2%	36.7%	31.6%	1.5%	6.0%	55.2%
\$30,000-\$40,000	6,992	5.7%	\$34,471	\$516	33.6%	37.2%	27.3%	2.0%	6.4%	52.3%
\$40,000-\$50,000	3,901	3.2%	\$44,502	\$740	43.4%	32.7%	21.8%	2.1%	6.8%	51.7%
\$50,000-\$75,000	4,727	3.8%	\$60,372	\$1,104	60.6%	24.7%	13.0%	1.6%	8.7%	52.0%
\$75,000-\$100,000	1,747	1.4%	\$85,352	\$1,750	74.6%	16.3%	8.3%	0.9%	9.3%	51.7%
\$100,000-\$200,000	1,113	0.9%	\$128,149	\$3,112	77.4%	14.4%	7.2%	1.0%	12.3%	50.5%
\$200,000-\$500,000	115	0.1%	\$273,483	\$8,823	73.3%	9.5%	16.4%	0.9%	19.0%	46.6%
\$500,000-\$1,000,000	8	0.0%	\$608,001	\$24,308	75.0%	25.0%	0.0%	0.0%	50.0%	25.0%
\$1,000,000 and over	2	0.0%	\$1,551,913	\$72,838	50.0%	50.0%	0.0%	0.0%	50.0%	0.0%
Total	122,906		\$17,540	\$221	15.2%	45.5%	23.4%	0.7%	5.6%	43.8%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2005 FOR TAX YEAR 2004

Total	258,482	\$22,021	\$390	17.0%	48.3%	16.1%	1.7%	7.5%	34.2%
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"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
March 2006

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$269,135	30,848
Eagar	\$23,469	4,033	Tempe	\$1,383,930	158,625
Springerville	\$30,955	3,548	Tolleson	\$43,396	4,974
St. Johns	\$17,205	1,972	Wickenburg	\$44,338	5,082
<u>Cochise County</u>			Youngtown	\$26,261	3,010
Benson	\$41,101	4,711	<u>Mohave County</u>		
Bisbee	\$53,132	6,090	Bullhead City	\$294,619	33,769
Douglas	\$144,156	16,523	Colorado City	\$29,088	3,334
Huachuca City	\$15,277	1,751	Kingman	\$175,093	20,069
Sierra Vista	\$329,569	37,775	Lake Havasu City	\$365,890	41,938
Tombstone	\$13,122	1,504	<u>Navajo County</u>		
Willcox	\$32,569	3,733	Holbrook	\$42,899	4,917
<u>Coconino County</u>			Pinetop-Lakeside	\$31,251	3,582
Flagstaff	\$461,476	52,894	Show Low	\$67,135	7,695
Fredonia	\$9,039	1,036	Snowflake	\$38,911	4,460
Page	\$59,405	6,809	Taylor	\$27,709	3,176
Williams	\$24,795	2,842	Winslow	\$83,058	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$65,312	7,486	Marana	\$118,270	13,556
Hayden	\$7,782	892	Oro Valley	\$278,609	31,934
Miami	\$16,891	1,936	Sahuarita	\$28,285	3,242
Payson	\$118,828	13,620	South Tucson	\$47,898	5,490
Winkelman	\$3,865	443	Tucson	\$4,246,224	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$17,353	1,989	Apache Junction	\$277,562	31,814
Safford	\$80,545	9,232	Casa Grande	\$220,068	25,224
Thatcher	\$35,090	4,022	Coolidge	\$67,929	7,786
<u>Greenlee County</u>			Eloy	\$90,517	10,375
Clifton	\$22,649	2,596	Florence	\$150,132	17,208
Duncan	\$7,084	812	Kearny	\$19,621	2,249
<u>La Paz County</u>			Mammoth	\$15,373	1,762
Parker	\$27,395	3,140	Maricopa	\$43,605	4,998
Quartzsite	\$29,262	3,354	Superior	\$28,390	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$313,063	35,883	Nogales	\$182,151	20,878
Buckeye	\$74,132	8,497	Patagonia	\$7,686	881
Carefree	\$25,537	2,927	<u>Yavapai County</u>		
Cave Creek	\$32,525	3,728	Camp Verde	\$82,456	9,451
Chandler	\$1,543,711	176,939	Chino Valley	\$71,253	8,167
El Mirage	\$66,385	7,609	Clarkdale	\$29,855	3,422
Fountain Hills	\$176,541	20,235	Cottonwood	\$80,083	9,179
Gila Bend	\$17,275	1,980	Dewey-Humboldt	\$29,908	3,428
Gilbert	\$957,056	109,697	Jerome	\$2,870	329
Glendale	\$1,909,034	218,812	Prescott	\$296,093	33,938
Goodyear	\$164,990	18,911	Prescott Valley	\$205,332	23,535
Guadalupe	\$45,612	5,228	Sedona	\$88,920	10,192
Litchfield Park	\$33,240	3,810	<u>Yuma County</u>		
Mesa	\$3,470,412	397,776	San Luis	\$133,677	15,322
Paradise Valley	\$119,212	13,664	Somerton	\$63,392	7,266
Peoria	\$945,426	108,364	Wellton	\$15,957	1,829
Phoenix	\$11,525,508	1,321,045	Yuma	\$677,766	77,685
Queen Creek	\$37,655	4,316	TOTAL		
Scottsdale	\$1,768,508	202,705		\$35,435,744	4,062,961

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
March 2006

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$269,019	30,848
Eagar	\$35,171	4,033	Tempe	\$1,383,338	158,625
Springerville	\$17,197	1,972	Tolleson	\$43,377	4,974
St. Johns	\$30,941	3,548	Wickenburg	\$44,319	5,082
<u>Cochise County</u>			Youngtown	\$26,250	3,010
Benson	\$41,084	4,711	<u>Mohave County</u>		
Bisbee	\$53,110	6,090	Bullhead City	\$294,493	33,769
Douglas	\$144,094	16,523	Colorado City	\$29,075	3,334
Huachuca City	\$15,270	1,751	Kingman	\$175,018	20,069
Sierra Vista	\$329,429	37,775	Lake Havasu City	\$365,733	41,938
Tombstone	\$13,116	1,504	<u>Navajo County</u>		
Willcox	\$32,555	3,733	Holbrook	\$42,880	4,917
<u>Coconino County</u>			Pinetop/Lakeside	\$31,238	3,582
Flagstaff	\$461,278	52,894	Show Low	\$67,107	7,695
Fredonia	\$9,035	1,036	Snowflake	\$38,895	4,460
Page	\$59,380	6,809	Taylor	\$27,697	3,176
Williams	\$24,785	2,842	Winslow	\$83,022	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$65,284	7,486	Marana	\$118,219	13,556
Hayden	\$7,779	892	Oro Valley	\$278,490	31,934
Miami	\$16,883	1,936	Sahuarita	\$28,273	3,242
Payson	\$118,777	13,620	South Tucson	\$47,877	5,490
Winkelman	\$3,863	443	Tucson	\$4,244,409	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$17,346	1,989	Apache Junction	\$277,444	31,814
Safford	\$80,510	9,232	Casa Grande	\$219,974	25,224
Thatcher	\$35,075	4,022	Coolidge	\$67,900	7,786
<u>Greenlee County</u>			Eloy	\$90,478	10,375
Clifton	\$22,639	2,596	Florence	\$150,068	17,208
Duncan	\$7,081	812	Kearny	\$19,613	2,249
<u>La Paz County</u>			Mammoth	\$15,366	1,762
Parker	\$27,383	3,140	Maricopa	\$43,587	4,998
Quartzsite	\$29,250	3,354	Superior	\$28,378	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$312,929	35,883	Nogales	\$182,073	20,878
Buckeye	\$74,101	8,497	Patagonia	\$7,683	881
Carefree	\$25,526	2,927	<u>Yavapai County</u>		
Cave Creek	\$32,511	3,728	Camp Verde	\$82,420	9,451
Chandler	\$1,543,051	176,939	Chino Valley	\$71,223	8,167
El Mirage	\$66,357	7,609	Clarkdale	\$29,843	3,422
Fountain Hills	\$176,466	20,235	Cottonwood	\$80,048	9,179
Gila Bend	\$17,267	1,980	Dewey-Humboldt	\$29,895	3,428
Gilbert	\$956,647	109,697	Jerome	\$2,869	329
Glendale	\$1,908,218	218,812	Prescott	\$295,967	33,938
Goodyear	\$164,919	18,911	Prescott Valley	\$205,244	23,535
Guadalupe	\$45,592	5,228	Sedona	\$88,882	10,192
Litchfield Park	\$33,226	3,810	<u>Yuma County</u>		
Mesa	\$3,468,929	397,776	San Luis	\$133,620	15,322
Paradise Valley	\$119,161	13,664	Somerton	\$63,365	7,266
Peoria	\$945,022	108,364	Wellton	\$15,950	1,829
Phoenix	\$11,520,580	1,321,045	Yuma	\$677,476	77,685
Queen Creek	\$37,639	4,316			
Scottsdale	\$1,767,751	202,705	TOTAL	\$35,432,305	4,062,961